

-- MEMORANDUM --

File: 155-28

Grants, N. M.
April 25, 1960

Mr. W. E. Willingham:

You will note that the settlement sheet received from Phillips Petroleum Company of Bartlesville, Oklahoma, for ore shipments from Section 19, T13N, R10W (H.E. Dole Contract) does not conform to the figures we use in our settlement with Mr. Dole.

Instead of making a settlement for the grade of ore Mr. Dole actually delivers to the Phillips Petroleum Company, they compute an average grade of all the ore delivered to them, which includes Section 25. Consequently Mr. Dole does not receive all of the premium to which he is entitled. You will note on the Phillips Settlement he only received \$43.40, whereas it should have been \$187.76 based upon 0.25% grade.

The total settlement for U₃O₈ plus premium on ore shipped from Section 19, T13N, R10W, should have been \$4,568.75 and not \$4,424.39 as the liquidation indicated.

Of course the sum of liquidations for both Sections 19 and 25 are correct as computed by Phillips and ourselves, but the division Phillips makes between Section 19 and 25 is not correct. They pay more premium on Section 25 and less on Section 19, although as previously stated the total amount of premium for both Sections is correct.

During the month of March 1960 we shipped a total of 2,998.29 tons of U₃O₈ from Section 25, but were only paid for 2,242.40 tons. The balance will be paid in April settlement which will be received about May 20th. Estimated amount for the balance is \$11,499.57 plus a premium of \$224.02, development allowance \$1,642.80, haulage allowance \$539.70, with a total of \$13,906.09.

T. C. Evans 

cc: Messrs. Nydin - Beeder - Stephens